

Senate Bill No. 697

CHAPTER 606

An act to add Sections 12693.55 and 12698.26 to the Insurance Code, relating to health care coverage.

[Approved by Governor September 30, 2008. Filed with
Secretary of State September 30, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

SB 697, Yee. Health care coverage: provider charges.

Existing law creates the Healthy Families Program and the Access for Infants and Mothers Program, which are administered by the Managed Risk Medical Insurance Board. Under existing law, both programs provide health care coverage, as specified, through participating health plans for persons meeting certain eligibility requirements.

This bill would prohibit, as specified, a health care provider from seeking reimbursement for covered services furnished to a person enrolled in the Healthy Families Program or the Access for Infants and Mothers Program from other than the participating health plan covering that person. The bill would also make findings and declarations in that regard.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The Healthy Families Program and the Access for Infants and Mothers Program provide access to health care for the state's chronically underserved and uninsured children and prenatal, well child, and labor and delivery services for pregnant women who might otherwise have difficulty obtaining vital and basic health care services.

(b) In addition to receiving reimbursement from the state through contract managed care plans for services provided to enrollees of these programs, some health care providers seek additional compensation by inappropriately billing enrollees of the programs directly for additional payments.

(c) Enrollees of these programs with limited economic means should not be subjected to aggressive billing practices from overbilling providers who accept reimbursement from one of the programs and then seek an additional double payment by billing unsuspecting enrollees for services previously compensated by the state's taxpayers.

(d) Enrollees of these programs should not be obligated to pay excessive and improper double billings.

(e) Enrollees of these programs, including many with language barriers and those who are low income, should not be subjected to aggressive

collection tactics, threats to their credit, and other improper and coercive billing practices designed to intimidate them into making excessive payments they are not obligated to make.

(f) The practice of balance billing Medicare and Medi-Cal enrollees is explicitly prohibited under existing federal and state law.

SEC. 2. Section 12693.55 is added to the Insurance Code, to read:

12693.55. (a) A health care provider who is furnished documentation of a person's enrollment in the program shall not seek reimbursement nor attempt to obtain payment for any covered services provided to that person other than from the participating health plan covering that person.

(b) The provisions of subdivision (a) do not apply to any copayments required for the covered services provided to the person under his or her participating health plan.

(c) For purposes of this section, "health care provider" means any professional person, organization, health facility, or other person or institution licensed by the state to deliver or furnish health care services.

SEC. 3. Section 12698.26 is added to the Insurance Code, to read:

12698.26. (a) A health care provider who is furnished documentation of a subscriber's enrollment in the program shall not seek reimbursement nor attempt to obtain payment for any covered services provided to that subscriber other than from the participating health plan covering the subscriber.

(b) The provisions of subdivision (a) do not apply to any copayments required for the covered services provided to the subscriber under his or her participating health plan.

(c) For purposes of this section, "health care provider" means any professional person, organization, health facility, or other person or institution licensed by the state to deliver or furnish health care services.